

02-A-0404

Approved For Release 2000/05/18 : CIA-RDP82-00467R0004000100

# INFORMATION REPORT

CD NO.

COUNTRY Indochina

**CONFIDENTIAL**

DATE DISTR 13 JAN 50

25X1A

**SUBJECT** Financial Exchange Situation in Hanoi

NO. OF PAGES 2

PLACE 25X1A  
ACQUIRED

NO. OF ENCLS.  
(LISTED BELOW)

DATE OF INFO. [REDACTED] 25X1A

**SUPPLEMENT TO  
REPORT NO.**

25X1X

1. All financial exchange transactions, in whatever currency, must theoretically go through the accredited banks in Hanoi and/or the Office of Exchange Control run by the French authorities. The official piastre-dollar rate at present is 21 piastres to the dollar. The supply of dollars is limited and most individuals can obtain only small amounts. In the black markets in both Hanoi and Haiphong the piastre-dollar rate ranges from 40-45 piastres to the dollar depending upon the prevailing rates in Bangkok and Hong Kong. Some of the Chinese in Hanoi operate clandestinely in the money market as do some of the French, including M. Valencot, Chief of the Economic Service of Tonkin. [REDACTED] 25X1A
2. The official franc-piastre rate is 17 francs to the piastre. In November, due to the fact that substantial sums were being transferred to France after being converted into francs, new regulations affecting such transfers were enacted. The underlying reason for this action was the fact that many rich Vietnamese, including government officials, were unloading piastres as fast as they were able. The object of the new law is to limit the amounts which banks can convert and transfer without approval of the Office of Exchange Control. The regulations also require that specific reasons be given for such transfers. Following are the maximum amounts which can be transferred for specific reasons without the approval of the Office of Exchange Control. All other transactions must have the approval of the Office of Exchange Control.
  - a. 75000 francs - for vacation costs of head of family
  - b. 30000 " for each member of family accompanying (a)
  - c. 25000 " for students in France (monthly)
  - d. 50000 " for husband or wife in France (monthly)
  - e. 20000 " for each child in France (monthly)
  - f. 100000 " for each commercial transaction (not monthly)
  - g. 250000 " (yearly) for transfer of revenues to people no longer residents of Indochina
  - h. 100000 " (yearly and per-operation) for miscellaneous and exceptional obligations for which justification is established
  - i. 75000 " (yearly) for debts and other fiscal obligations
3. In practice, the bankers adhere quite closely to the regulations. Certain members of the Office of Exchange Control, however, are not incorruptible.

CLASSIFICATION ~~CONFIDENTIAL~~/CONTROL - U. S. OFFICIALS ONLY

STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB	DISTRIBUTION							
ARMY	<input checked="" type="checkbox"/> AIR	FBI								

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 13 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

Document No.

NO CHANGE in Class.

NO CHANGE  
DECLASSIFIED

Class. CHANGED TO:

ESM Memo, 4 Apr 77

Auth: ~~SECRET~~ 77/1793

Approved For Release 2000/05/18 : CIA-RDP82-00457R004100350010-1

CONFIDENTIAL

~~CONFIDENTIAL~~/CONTROL - U. S. OFFICIALS ONLY

25X1A  


CENTRAL INTELLIGENCE AGENCY

- 2 -

Two instances, both involving substantial sums, are known in which considerably larger amounts than those permitted by law have been converted and transferred after approval by the Office of Exchange Control.

4. There has been a great outcry from all sides as a result of the new regulations and it is not unlikely that they will undergo some modification in the near future. There is general apprehension at present concerning the future of the piastre and its relationship with other currencies, particularly the franc.

~~CONFIDENTIAL~~/CONTROL - U. S. OFFICIALS ONLY

CONFIDENTIAL